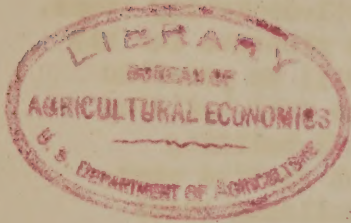


1940 General Letter No. 1 (Area A)

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D.C.



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January 3, 1940

To Administrative Officers and State Committeemen
In Area A of Southern Region:

The Secretary announced at the recent Land Grant College meeting that a concerted effort would be made by departmental agencies to obtain more conservation by reorienting and coordinating the programs which deal with conservation in its various phases.

In order to maintain the soil-building allowance for individual farms at former levels, the rate of credit for certain soil-building practices was substantially reduced in Supplement 1 to the 1940 Agricultural Conservation Program Bulletin. In other words, since the total money available in all States for carrying out soil-building practices was not increased and since more farms are using a greater portion of their soil-building allowance, it was necessary either to reduce the soil-building allowance for individual farms or to reduce the rate of credit for certain soil-building practices. Since the practices for which credit was reduced have become generally established on a large proportion of the farms, by making this reduction a larger proportion of the funds are available to encourage other desirable practices not normally carried out. Also, in many cases, increased acreages of the practices normally carried out should be obtained. The amendment provided an increase of 10 percent in the rate of payment on cropland in Area A, to be available as assistance for carrying out soil-building practices. In this area, the proportion of funds available for carrying out soil-building practices has been substantially less than in other areas. Other changes designed to obtain more conservation were included in the 1940 Agricultural Conservation Program Bulletin, which was approved September 6, 1939. No other changes in the program for 1940 are contemplated.

In the administration of the program, there are a number of ways in which more conservation may be obtained. Every effort should be made to take advantage of all the opportunities offered to accomplish this necessary objective. Careful attention should be given to each of the following items:

(1) All regions are planning to provide for a plan sheet for each farm for 1940. Each farmer will be given an opportunity to enter on his farm plan sheet the acreages of soil-depleting crops, nondepleting crops, and soil-building practices he proposes for his farm for 1940. Through this personal contact it will be possible to encourage each farmer to make fullest use of the soil-building assistance available to him in carrying out the soil-building practices most needed on his farm and which are not routine practices. Emphasis should be placed on county soil-building goals for the particular practices most needed in the county, and educational efforts should be concentrated on the selected practices. Special emphasis should be given to the use of effective combinations of practices; for example, the use of limestone and superphosphate in connection with seeding winter legumes and the establishment of pastures. Assistance should be given to county committees in obtaining local information which would be of assistance in this work. This will, in many cases, include visits to practical demonstrations in other counties.

(2) At considerable expense, a sufficient number of 1940 State handbooks are being printed so that each work sheet signer may have one. These handbooks contain a complete statement of the program provisions, including the soil-building practices and specifications applicable in the State. In view of the expense involved in printing this large quantity of handbooks, it is imperative that good use be made of them. It is suggested that the person who assists the farmer in executing the farm plan sheet point out and discuss with him the principal provisions of the handbook, with particular emphasis on the soil-building practices and specifications. Each State committee is expected to work out very carefully the instructions for the execution of farm plans, and the distribution of the handbooks.

(3) The provisions of the program for furnishing materials as grants of aid should be given careful consideration with a view to expanding this phase of the program where a real need exists. By furnishing materials as grants of aid, farmers can be encouraged to carry out soil-building practices which could not otherwise be carried out. Experience has shown that in counties where materials are furnished as grants of aid, the practices carried out exceed the soil-building goals on a greatly increased percentage of the farms.

In addition, increased conservation may be obtained by more effectively coordinating the efforts of the AAA with the work of other agencies wherever possible. In most cases, this will involve continuation of cooperation already in effect. The following are now in effect and should serve as a means of greater coordination and increased conservation:

(1) Farm plans prepared by the Soil Conservation Service for farms within its work areas will, as far as practicable, be made available to county agricultural conservation committees prior to the determination of allotments under the agricultural conservation program, and governing bodies of soil conservation districts will be encouraged to make farm plans available to the county committee. County committees will, insofar as practicable under existing regulations and instructions (maintaining equity of allotments for all farms in the county), determine allotments in line with the acreages provided in the SCS farm plan; that is, county committees should give consideration to the acreages shown to be desirable under the SCS farm plans. If necessary, the plans developed by the SCS will be revised in line with the allotments so determined. SCS farm plans formulated after allotments are determined will provide for acreages of soil-depleting crops in 1940 as nearly in line with the allotments under the agricultural conservation program as is practicable.

(2) Farm Security Administration farm plans will be based on allotments under the agricultural conservation program determined for such farms. If FSA farm plans are prepared before allotments under the conservation program are determined, the county committee should determine allotments as nearly in line with the acreages provided by the FSA farm plan as is possible under existing regulations and instructions (maintaining equity of allotments for all farms in the county). FSA county supervisors and project managers will obtain from the county committee the allotments determined for farms cooperating with the FSA, and in cases where allotments have not been determined will obtain the best available information with respect to allotments which are likely to be determined.

(3) Upon request of the FSA county supervisor, county committees will encourage strongly that non-allotment options offered under the conservation program be elected for farms where the FSA farm plan indicates, and the county committee finds, that this is necessary in order to provide the farm family with adequate food and feed for consumption on the farm. The FSA county supervisor may request that all or certain of the FSA clients in the county be encouraged to exercise the non-allotment option with respect to general soil-depleting crops.

(4) The county committee, which includes the county agent, should confer with available personnel of the SCS, FSA, county land use planning committees in counties where such committees are organized and functioning, and other agricultural leaders, in determining the soil-building practices which should be emphasized in the county in 1940. The practices selected should be those which are most needed and which are not carried out as routine farming practices. The committee should encourage the carrying out of such practices in the preparation of AAA farm plans and in otherwise contacting producers.

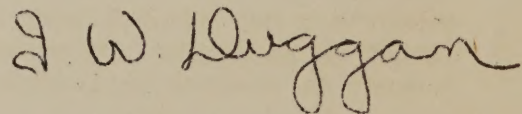
(5) State and county committees should continue to cooperate with Extension foresters, representatives of the Forest Service, State forestry agencies, and SCS foresters, in considering suitable varieties of trees for planting, sources of supply, and cooperative purchase of trees, as well as for group meetings and demonstrations of approved woodlot or forest management practices.

(6) County committees should continue to cooperate with FSA and SCS personnel in furtherance of the water facilities program. Information will be furnished by the county committee as to the water facilities which may be paid for in whole or in part under the agricultural or range conservation programs.

(7) State and county committees should conduct, in cooperation with the Extension Service and other educational agencies, an intensive educational campaign to acquaint farmers with facts regarding run-off and erosion on land where contour farming or strip-cropping are practiced as compared to land not farmed on the contour or strip-cropped, and to point out the need of contour farming and strip-cropping in areas where such practices are practicable. Data as to the desirability of these practices will be based on results obtained under current programs. These practices may be included as a requisite to soil-building payment in any county where the educational and demonstration work has made such provision practicable and the requirement is supported by local farmers.

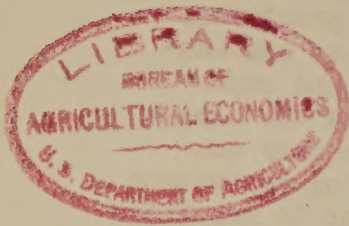
We cannot over-emphasize the necessity for and desirability of obtaining maximum conservation under the agricultural and range conservation programs. The attention of all committeemen should be specifically directed to each of the points indicated above which are applicable to their county. By careful administration of the program, it is believed that substantial progress can be made in obtaining more conservation.

Very truly yours,



I. W. Duggan,
Director, Southern Division.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.



January 3, 1940

To Administrative Officers and State Committeemen
In Area B of Southern Region:

The Secretary announced at the recent Land Grant College meeting that a concerted effort would be made by departmental agencies to obtain more conservation by reorienting and coordinating the programs which deal with conservation in its various phases.

In order to maintain the soil-building allowance for individual farms at former levels, the rate of credit for certain soil-building practices was substantially reduced in Supplement 1 to the 1940 Agricultural Conservation Program Bulletin. In other words, since the total money available in all States for carrying out soil-building practices was not increased and since more farms are using a greater portion of their soil-building allowance, it was necessary either to reduce the soil-building allowance for individual farms or to reduce the rate of credit for certain soil-building practices. Since the practices for which credit was reduced have become generally established on a large proportion of the farms, by making this reduction a larger proportion of the funds are available to encourage other desirable practices not normally carried out. Also, in many cases, increased acreages of the practices normally carried out should be obtained. Other changes designed to obtain more conservation were included in the 1940 Agricultural Conservation Program Bulletin, which was approved September 6, 1939. No other changes in the program for 1940 are contemplated.

In the administration of the program, there are a number of ways in which more conservation may be obtained. Every effort should be made to take advantage of all the opportunities offered to accomplish this necessary objective. Careful attention should be given to each of the following items:

(1) All regions are planning to provide for a plan sheet for each farm for 1940. Each farmer will be given an opportunity to enter on his farm plan sheet the acreages of soil-depleting crops, non-depleting crops, and soil-building practices he proposes for his farm for 1940. Through this personal contact it will be possible to encourage each farmer to make fullest use of the soil-building assistance available to him in carrying out the soil-building practices most needed on his farm and which are not routine practices. Emphasis should be placed on county soil-building goals

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for the particular practices most needed in the county, and educational efforts should be concentrated on the selected practices. Special emphasis should be given to the use of effective combinations of practices; for example, the use of limestone and superphosphate in connection with seeding winter legumes and the establishment of pastures. Assistance should be given to county committees in obtaining local information which would be of assistance in this work. This will, in many cases, include visits to practical demonstrations in other counties.

(2) At considerable expense, a sufficient number of 1940 State handbooks are being printed so that each work sheet signer may have one. These handbooks contain a complete statement of the program provisions, including the soil-building practices and specifications applicable in the State. In view of the expense involved in printing this large quantity of handbooks, it is imperative that good use be made of them. It is suggested that the person who assists the farmer in executing the farm plan sheet point out and discuss with him the principal provisions of the handbook, with particular emphasis on the soil-building practices and specifications. Each State committee is expected to work out very carefully the instructions for the execution of farm plans, and the distribution of the handbooks.

(3) The provisions of the program for furnishing materials as grants of aid should be given careful consideration with a view to expanding this phase of the program where a real need exists. By furnishing materials as grants of aid, farmers can be encouraged to carry out soil-building practices which could not otherwise be carried out. Experience has shown that in counties where materials are furnished, as grants of aid, the practices carried out exceed the soil-building goals on a greatly increased percentage of the farms.

In addition, increased conservation may be obtained by more effectively coordinating the efforts of the AAA with the work of other agencies wherever possible. In most cases, this will involve continuation of cooperation already in effect. The following are now in effect and should serve as a means of greater coordination and increased conservation:

(1) Farm plans prepared by the Soil Conservation Service for farms within its work areas will, as far as practicable, be made available to county agricultural conservation committees prior to the determination of allotments under the agricultural conservation program, and governing bodies of soil conservation districts will be encouraged to make farm plans available to the county committee. County committees will, insofar as practicable under existing regulations and instructions (maintaining equity of allotments for all farms in the county), determine allotments in line with the acreages provided in the SCS farm plan; that is, county committees should give consideration to the acreages shown

to be desirable under the SCS farm plans. If necessary, the plans developed by the SCS will be revised in line with the allotments so determined. SCS farm plans formulated after allotments are determined will provide for acreages of soil-depleting crops in 1940 as nearly in line with the allotments under the agricultural conservation program as is practicable.

(2) Farm Security Administration farm plans will be based on allotments under the agricultural conservation program determined for such farms. If FSA farm plans are prepared before allotments under the conservation program are determined, the county committee should determine allotments as nearly in line with the acreages provided by the FSA farm plan as is possible under existing regulations and instructions (maintaining equity of allotments for all farms in the county). FSA county supervisors and project managers will obtain from the county committee the allotments determined for farms cooperating with the FSA, and in cases where allotments have not been determined will obtain the best available information with respect to allotments which are likely to be determined.

(3) Upon request of the FSA county supervisor, county committees will encourage strongly that non-wheat-allotment option offered under the conservation program be elected for farms where the FSA farm plan indicates, and the county committee finds, that this is necessary in order to provide the farm family with adequate food and feed for consumption on the farm.

(4) The county committee, which includes the county agent, should confer with available personnel of the SCS, FSA, county land use planning committees in counties where such committees are organized and functioning, and other agricultural leaders, in determining the soil-building practices which should be emphasized in the county in 1940. The practices selected should be those which are most needed and which are not carried out as routine farming practices. The committee should encourage the carrying out of such practices in the preparation of AAA farm plans and in otherwise contacting producers.

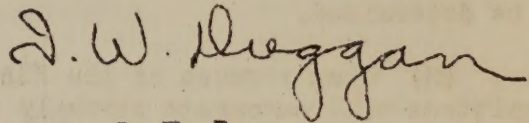
(5) State and county committees should continue to cooperate with Extension foresters, representatives of the Forest Service, State forestry agencies, and SCS foresters, in considering suitable varieties of trees for planting, sources of supply, and cooperative purchase of trees, as well as for group meetings and demonstrations of approved woodlot or forest management practices.

(6) State and county committees should conduct, in cooperation with the Extension Service and other educational agencies, an intensive educational campaign to acquaint farmers with facts regarding run-off and erosion on land where contour farming or strip-cropping are practiced as compared to land not farmed on the contour or strip-cropped, and to point out the need of contour

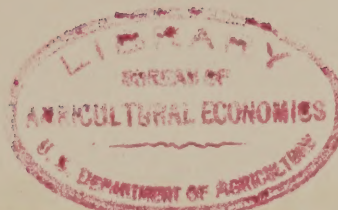
farming and strip-cropping in areas where such practices are practicable. Data as to the desirability of these practices will be based on results obtained under current programs. These practices may be included as a requisite to soil-building payment in any county where the educational and demonstration work has made such provision practicable and the requirement is supported by local farmers.

We cannot overemphasize the necessity for and desirability of obtaining maximum conservation under the agricultural and range conservation programs. The attention of all committeemen should be specifically directed to each of the points indicated above which are applicable to their county. By careful administration of the program, it is believed that substantial progress can be made in obtaining more conservation.

Very truly yours,

A handwritten signature in dark ink, appearing to read "I. W. Duggan". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

I. W. Duggan,
Director, Southern Division.



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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

January 10, 1940

To All Administrative Officers and State Committeemen,
Agricultural Adjustment Administration,
Southern Region:

RE: ASSIGNMENTS

The following questions and answers with regard to assignments under the 1940 Agricultural Conservation Program^{1/} are submitted for your information:

Question 1: For what purposes may agricultural conservation payments be assigned?

Answer: The Agricultural Adjustment Act of 1938 provides in Sec. 8(g) that agricultural conservation payments may be assigned "as security for cash or advanced to finance making a crop." This language is fully explained in Section I of ACP-70, "Instructions Relating to Assignments and Use of Form ACP-69," as follows:

"To finance making a crop means (1) to finance the planting, cultivating, or harvesting of a crop, including the purchase of equipment required therefor; (2) to provide food, clothing, and other necessities required by the assignor or persons dependent upon the assignor for the purpose of making a crop; or (3) to finance the carrying out of soil-building . . . practices."

Question 2: May an assignment be given to pay or secure a preexisting indebtedness?

Answer: Section 8(g) of the Soil Conservation and Domestic Allotment Act, as amended, provides in part that "such assignment shall include the statement that the assignment is not made to pay or secure any preexisting indebtedness".

^{1/} As used throughout this letter, the term "agricultural conservation program" is meant to include the range conservation program. Where applicable, the term "ranching units" may be substituted for "farm," "ranch operator" for "producer," etc.

Paragraph D of part I of ACP-71 provides in part that "the cash supplies or services must be advanced to the assignor to finance making a crop during the year current at the time the assignment is made and must not be made to secure or pay any preexisting indebtedness of any nature whatsoever".

Question 3: May a landlord obtain an assignment of payment from a tenant to secure the payment of rent?

Answer: No. It is provided in Section I of ACP-70 that nothing contained therein shall be construed to authorize the giving of an assignment to secure the payment of the whole or any part of the purchase price of a farm or the payment of the whole or any part of a cash or fixed commodity rent for a farm.

Question 4: How soon after the advances are made should part I of the Form ACP-69 be executed?

Answer: Instructions and assignment forms are available, and producers and creditors have every reason to assume that assignments should be filed promptly after advances are made. The instructions contemplate that the assignments should be made at the time of making advances.

In view of the long-established policy of the Government not to act as a collecting agency for private persons, and in view of prior statutes restricting assignments of claims against the Government, it is felt that the provisions of the Act providing for assignments are merely permissive and contemplate that assignments should be recognized only if timely made and executed in accordance with the statute and instructions concerning the making of them.

Question 5: In making assignments in connection with the agricultural conservation program how can the producer's probable payment with respect to the farm be estimated, if the yields for the farm have not been established for the current year?

Answer: It is not contemplated that the exact amount of the farmer's payment need be known before an assignment can be made. The exact payment due the farmer cannot be determined until after his farm has been checked for performance. The probable payment for a farm for which acreage allotments have been established may be estimated by the county committee on the basis of the yields established for such farm for the previous year, where these figures are not likely to vary appreciably.

In cases where the yields for the current year for an individual farm will be materially lower than the yields established for the previous year, the county committee will be in a position to inform the assignor and the assignee regarding them.

Question 6: May an assignment include interest on the amount advanced?

Answer: Amendment 1 to ACP-70 provides that the assignment may include interest on the amount advanced, but that the actual amount advanced (or the cash value thereof) must be entered in the spaces indicated. Interest may be included in the assignment only at the request of the assignor, and where included, a provision to the following effect must be inserted in part I of Form ACP-69, immediately above the line designated for the name and address of the assignee: "plus interest thereon at the rate of _____ percent per annum from _____, 19 ____." The rate of interest must not be in excess of the maximum rate chargeable under the law of the State in which the farm is located.

Question 7: To whom may Forms ACP-69 be furnished upon request?

Answer: Copies of Form ACP-69 may be furnished upon request to any farmer desiring to assign a payment which may be made to him under the 1940 Agricultural Conservation Program. It is contemplated that a supply of these forms will be kept at the designated places for making assignments at such times as assignments may be made. This should make it unnecessary to mail out many of these forms. No copies of this form, other than sample copies, shall be furnished to persons who intend to advance cash, supplies, or services to farmers.

Question 8: Where must part I of Form ACP-69 be executed?

Answer: In all cases part I of Form ACP-69 must be executed in the office of the county agricultural conservation association for the county in which the farm is located, or at such places in the county and at such times as are designated by the county committee. In cases where the county committee finds it necessary to designate a place other than the county office, public notice should be given of the times when such assignments may be made at the designated place and arrangement must be made in such cases to have a committeeman or the secretary or treasurer of the association at the place at the time or times designated to witness the execution of part I of Form ACP-69. If the person who serves as witness cannot conveniently carry the original Forms ACP-69 to the county office, he must mail them to the county office at the end of the day.

Question 9: Why must each assignment on Form ACP-69 be witnessed by a committeeman or by the treasurer or secretary of the association?

Answer: Section 8(g) of the Act provides in pertinent part as follows:

"Such assignment shall be signed by the farmer and witnessed by a member of the county or other local committee, or by the treasurer or secretary of such committee, and filed with the county agent or the county committee."

Question 10: What steps should be taken to ascertain whether an assignment is for a valid purpose?

Answer: It is of utmost importance that the person who witnesses the assignment satisfy himself that such assignment is made strictly in accordance with the law and the applicable regulations and instructions. In any cases where there is any doubt regarding the purpose for which the assignment is given, the assignor must be required to submit an itemized statement of the advances received which form the basis of the assignment.

Question 11: May two or more persons, who by separate transactions have advanced cash or supplies to a producer, be shown on Form ACP-69 as joint assignees?

Answer: No. Two or more persons may be shown as joint assignees only where such persons actually furnished all the cash or supplies jointly. If such persons are members of a partnership, the assignment should be made in the name of the partnership rather than in the names of the persons composing it.

Question 12: When does an assignment become effective?

Answer: An assignment becomes effective, insofar as the United States Government is concerned, after application for payment is made by the assignor and it has been administratively determined that such payment is due. Any assignment is subject to the provisions of the program under which the payment is made and to the rights of counter-claim, recoupment, or set-off to which the United States is entitled, as provided in the regulations or orders issued by the Secretary of Agriculture.

Question 13: As between Form ACP-69, "Assignment", and Form AAA-372, "Producer's Request for Set-off," which form shall be given priority?

Answer: If a producer makes an assignment with respect to a particular payment and also files a Form AAA-372 requesting a set-off against the same payment, only the first such form filed in the county office shall become effective, regardless of the amount of the applicant's payment.

Form ACP-69 shall be considered as filed on the date the form is submitted to the county office with part I thereof executed. Form AAA-372 shall be considered as filed on the date the form is submitted to the county office (which will not necessarily be the date on which such form is approved by the county committee).

Question 14: What is the final date for filing part I of Forms ACP-69 under the 1940 Agricultural Conservation Program?

Answer: No assignment of payments under the 1940 Agricultural Conservation Program will be recognized by the Agricultural Adjustment Administration unless Part I of Form ACP-69, on which such assignment

is made, is executed and filed in the office of the county agricultural conservation association on or before October 31, 1940, or the date the application is approved by the county committee, whichever is the earlier.

Part II or Part III of Form ACP-69 must be assigned by the assignee, witnessed by a disinterested person, and filed in the office of the county agricultural conservation association in which the related assignment is filed at or immediately prior to the time application is made by the assignor to the United States for payment.

Question 15: When should part II of Form ACP-69 be executed?

Answer: Part II of Form ACP-69 should be executed by the assignee at the time or immediately before the application for payment is filed by the assignor. The time of execution must be within 60 days prior to the date on which the application for payment is approved by the county committee, unless the date in part II is subsequent to November 15, 1940.

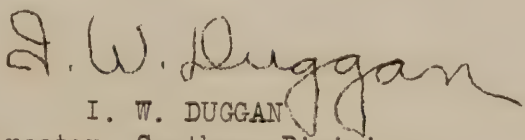
Question 16: Where the assignor cannot be located to sign the application for payment or for any reason refuses to sign it, is there any way by which the assignee can secure the amount to which he would have been entitled had the assignor signed the application?

Answer: No. Before he is eligible to receive any payment under the agricultural conservation program, the producer is required to sign an application for payment and certify that he has met the performance requirements set forth in the law and applicable regulations. The government is prohibited by statute from making any payment until an application or claim for the payment is submitted by the person to whom such payment is due. Since the producer's assignee stands in no better position than the producer himself it would not be possible to make a payment to him when it would not be possible to make a payment to the producer from whom he received the assignment.

Question 17: Is an assignment of payment under the agricultural conservation and range conservation programs transferable?

Answer: No. There is no provision in the law authorizing an assignee to transfer an assignment. For this reason, Form ACP-69 and the instructions relating to its use provide that the assignment shall be effective in favor of the assignee and the person or persons entitled to receive and administer the personal estate of the assignee in the case of his death, incompetency, insolvency, or bankruptcy, but that the assignment shall not be otherwise transferable by the assignee.

It should be noted that assignments of government payments are not recognized unless specific provision therefor is made by the Congress. Since there is no provision of law authorizing the assignment of price adjustment or parity payments, such payments cannot be assigned.


I. W. DUGGAN
Director, Southern Division.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

June 18, 1940.

To All Administrative Officers and State Committeemen,
Agricultural Adjustment Administration,
Southern Region:



Re: Assignments

The following questions with regard to assignments of 1938, 1939 and 1940 agricultural and range conservation payments are submitted for your information:

Question 1: If it is determined by the county committee, before payment is made, that an assignment of such payment was obtained by duress or threats against the assignor, should the assignment be recognized if otherwise proper?

Answer: No. The county committee should not recognize an assignment obtained by duress or threats to do bodily harm to or cause some loss, damage, or detriment to be suffered by the assignor. Mere refusal to make advances of cash or supplies to finance making a crop unless the advances are secured by an assignment of a payment shall not be considered as a "threat" in this connection, unless, of course, the person so refusing had theretofore promised to make such advances and such promise was not conditioned upon the assignment of the payment. However, refusal of the landlord to permit a tenant to continue on the farm under an existing lease or operating agreement if the tenant does not execute an assignment in favor of the landlord will be considered as a "threat."

Question 2: What action will be taken by the AAA if, after payment is made under an assignment, it is determined by the county committee that the assignment was obtained by duress or threats, or contains misrepresentations by the assignee which, had they been known to the AAA prior to the time payment for the assignor was approved, would have resulted in refusal by the AAA to recognize the assignment?

Answer: The AAA will permit the assignor to file an adjustment application showing no assignment of his payment, provided such adjustment application is timely filed. If the assignor files such an adjustment application, the assignee will be placed on the register of indebtedness maintained in the State and county offices for the amount paid to him under the assignment. Such indebtedness will be a debt to the AAA and will have priority over debts entered on the register which are owed to other agencies of the United States. The AAA will request the assignee to refund to the AAA the

the amount paid to him under the assignment and, if the refund is not received, the AAA will set off the amount of the indebtedness against any payment accruing to the assignee by virtue of performance rendered by him. Upon recovery from the assignee, payment will be made to the assignor if the appropriation is still available for making payments thereunder. Likewise, where an adjustment application is not filed timely by the assignor, the Agricultural Adjustment Administration will take similar action to recover from the assignee any amount which the county committee finds has been paid to the assignee in excess of any indebtedness of the assignor unless such amount has in turn been paid over to the assignor.

Question 3: What action will be taken by the AAA if the county committee determines that an assignee has received payment in excess of the unpaid indebtedness secured by the assignment and has failed to pay over to the assignor the amount of the excess?

Answer: The AAA will permit the assignor to file an adjustment application showing, as the amount of payment assigned, the amount of the indebtedness secured by the assignment which the county committee determines remained unpaid at the time payment under the assignment was received by the assignee, provided such adjustment application is timely filed. The AAA will take the same action as that set forth in the answer to question No. 2 with respect to recovery from the assignee and payment to the assignor. However, immediately before a set-off against any payment due the assignee is made in such cases the State office shall ask the county committee to verify the amount then due the assignor in order that any recovery by the assignor as a result of civil or other action against the assignee may first be applied against the assignee's indebtedness.

In each case the assignor should be advised that the filing of an adjustment application does not affect his right of action against the assignee and should be advised that in case he recovers any part of the amount due him from the assignee, the county agricultural conservation association should be so advised immediately in order that a report to that effect may be made to the State office and the indebtedness of the assignee reduced accordingly.

The assignee will have the right of appeal in any of the above cases where a set-off is proposed to be made against a payment earned by him. Therefore, he should be advised in writing at least 15 days before any such set-off is made of the amount which is to be set off and that he has 15 days in which to appeal from the decision of the county committee.

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

1940 General Letter No. 2, Supplement:1 (Revised)

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

July 23, 1940.

To All Administrative Officers and State Committeemen,
Agricultural Adjustment Administration,
Southern Region:



Re: Assignments

The following questions with regard to assignments of 1938, 1939 and 1940 agricultural and range conservation payments are submitted for your information:

Question 1: If it is determined by the county committee, before payment is made, that an assignment of such payment was obtained by duress or threats against the assignor, should the assignment be recognized if otherwise proper?

Answer: No. The county committee should not recognize an assignment obtained by duress or threats to do bodily harm to or cause some loss, damage, or detriment to be suffered by the assignor. Mere refusal to make advances of cash or supplies to finance making a crop unless the advances are secured by an assignment of a payment shall not be considered as a "threat" in this connection. However, refusal of the landlord to permit a tenant to continue on the farm under an existing lease or operating agreement if the tenant does not execute an assignment in favor of the landlord will be considered as a "threat."

Question 2: What action will be taken by the AAA if, after payment is made under an assignment, it is determined by the county committee that the assignment was obtained by duress or threats, or contains misrepresentations by the assignee which, had they been known to the AAA prior to the time payment for the assignor was approved, would have resulted in refusal by the AAA to recognize the assignment?

Answer: The AAA will permit the assignor to file an adjustment application showing no assignment of his payment, provided such adjustment application is timely filed. If the assignor files such an adjustment application, the assignee will be placed on the register of indebtedness maintained in the State and county offices for the amount paid to him under the assignment. Such indebtedness will be a debt to the AAA and will have priority over debts entered on the register which are owed to other agencies of the United States. The AAA will request the assignee to refund to the AAA

the amount paid to him under the assignment and, if the refund is not received, the AAA will set off the amount of the indebtedness against any payment accruing to the assignee by virtue of performance rendered by him. Upon recovery from the assignee, payment will be made to the assignor if the appropriation is still available for making payments thereunder. Likewise, where an adjustment application is not filed timely by the assignor, the Agricultural Adjustment Administration will take similar action to recover from the assignee any amount which the county committee finds has been paid to the assignee in excess of any indebtedness of the assignor unless such amount has in turn been paid over to the assignor.

Question 3: What action will be taken by the AAA if the county committee determines that an assignee has received payment in excess of the unpaid indebtedness secured by the assignment and has failed to pay over to the assignor the amount of the excess?

Answer: The AAA will permit the assignor to file an adjustment application showing, as the amount of payment assigned, the amount of the indebtedness secured by the assignment which the county committee determines remained unpaid at the time payment under the assignment was received by the assignee, provided such adjustment application is timely filed. The AAA will take the same action as that set forth in the answer to question No. 2 with respect to recovery from the assignee and payment to the assignor. However, immediately before a set-off against any payment due the assignee is made in such cases the State office shall ask the county committee to verify the amount then due the assignor in order that any recovery by the assignor as a result of civil or other action against the assignee may first be applied against the assignee's indebtedness.

In each case the assignor should be advised that the filing of an adjustment application does not affect his right of action against the assignee and should be advised that in case he recovers any part of the amount due him from the assignee, the county agricultural conservation association should be so advised immediately in order that a report to that effect may be made to the State office and the indebtedness of the assignee reduced accordingly.

The assignee will have the right of appeal in any of the above cases where a set-off is proposed to be made against a payment earned by him. Therefore, he should be advised in writing at least 15 days before any such set-off is made of the amount which is to be set off and that he has 15 days in which to appeal from the decision of the county committee.

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

1940 General Letter No. 2, Supplement 2
(Applicable to Ala., Ga., La. & S.C.)

JAN 30 1941

1940

no. 2, suppl. 2

So 86

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Washington, D. C.

October 15, 1940

To All Administrative Officers and State Committeemen,
Agricultural Adjustment Administration,
Southern Region:



Re: Final date for filing Forms ACP-69
under the 1940 ACP.

This letter amends question number 14 and the answer thereto of 1940 General Letter No. 2 in connection with the above captioned subject as it relates to the filing of Part I of Form ACP-69 to secure payment for services rendered after October 31, 1940 in connection with the construction of terraces.

The final date for filing Part I of Form ACP-69 under the 1940 Agricultural Conservation Program to secure payment for services rendered in connection with the construction of terraces is hereby extended to November 30, 1940 or the date the application for payment is filed, whichever is earlier.

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

1940 General Letter No. 2, Supplement 2A
(Applicable only to Texas and Oklahoma)

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Washington, D. C.

October 15, 1940

To All Administrative Officers and State Committeemen,
Agricultural Adjustment Administration,
Southern Region;



Re: Final date for filing Forms ACP-69 under
the 1940 ACP and the 1940 RCP

This letter amends question number 14 and the answer thereto of 1940 General Letter No. 2 in connection with the above captioned subject as it relates to the filing of Part I of Form ACP-69 to secure payment for services rendered after October 31, 1940 in connection with the carrying out under the 1940 Agricultural Conservation Program of the practices listed below:

1. The construction of terraces.
2. The construction of reservoirs and dams.
3. The construction of ditches.

The final date for filing Part I of Form ACP-69 under the 1940 Agricultural Conservation Program to secure payment for services rendered in connection with the above listed practices in all counties in Oklahoma and in all counties in Texas, except Brooks, Cameron, Duval, Hidalgo, Jim Hogg, Jim Wells, Kenedy, Kleberg, McMullen, Starr, Willacy, and Zapata, is hereby extended to November 30, 1940, or the date the application for payment is filed, whichever is earlier.

Likewise the closing date for filing Part I of Form ACP-69 under the 1940 Range Conservation Program to secure payment for services rendered after October 31, 1940, in carrying out range-building practices in all counties in Oklahoma and Texas is hereby extended to November 30, 1940, or the date the application for payment is filed, whichever is earlier.

I. W. Duggan

I. W. Duggan,
Director, Southern Division

1940 General Letter No. 2, Supplement 2B
(Applicable only to Ark. and Miss.)

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Washington, D. C.

JAN 30 1941

1940
No. 2, suppl. 2B

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October 15, 1940

To All Administrative Officers and State Committeemen,
Agricultural Adjustment Administration,
Southern Region:



Re: Final date for filing Forms ACP-69,
under the 1940 ACP.

This letter amends question number 14 and the answer thereto of 1940 General Letter No. 2 in connection with the above-captioned subject as it relates to the filing of Part I of Form ACP-69 to secure payment for services rendered after October 31, 1940, in connection with:

1. The construction of terraces.
2. The construction of reservoirs and dams.

The final date for filing Part I of Form ACP-69 under the 1940 Agricultural Conservation Program to secure payment for services rendered in connection with the above-listed practices is hereby extended to November 30, 1940, or the date the application for payment is filed, whichever is earlier.

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

1940 General Letter No. 2, Supplement 2 C.
(Applicable only to Florida)

JAN 30 1941

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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

October 18, 1940

To All Administrative Officers and State Committeemen,
Agricultural Adjustment Administration,
Southern Division.



Re: Final date for filing Forms
ACP-69 under the 1940 ACP.

This letter amends question number 14 and the answer thereto of 1940 General Letter No. 2 in connection with the above captioned subject as it relates to the filing of Part I of Form ACP-69 to secure payment for services rendered after October 31, 1940 in connection with the construction of terraces.

The final date for filing Part I of Form ACP-69 under the 1940 Agricultural Conservation Program to secure payment for services rendered in connection with the construction of terraces is hereby extended to December 31, 1940 or the date the application for payment is filed, whichever is earlier.

Very truly yours,

A handwritten signature in cursive script that reads "I. W. Duggan".

I. W. Duggan,
Director, Southern Division.

1940 General Letter No. 3

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Washington, D. C.

January 13, 1940

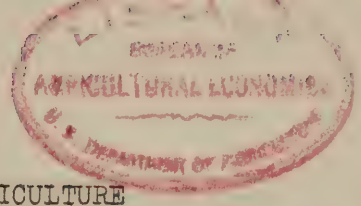
To All Administrative Officers and State Committeemen,
Agricultural Adjustment Administration,
Southern Region:

Re: Practices which deprive others of payments
under agricultural conservation programs.

It has come to the attention of this Division that some landlords and operators are charging bonus rent and making other charges for purposes of securing for themselves a share of the agricultural conservation payments to which tenants and sharecroppers are rightfully entitled. The devices employed are varied. In some cases the charges take the form of a cash payment for the same acreage on which a share rent is charged. In other cases they take the form of a payment for each acre not planted to cotton, including idle land. Other arrangements call for a cash rental for all nondepleting crops on the farm, while others call for an additional payment for all land on the farm which is not operated on a regular crop-share basis. A rental is sometimes charged for the house in which the tenant must live, or for the use of the pasture land; and in some instances the tenants are required to pay the taxes on the farm for the current year.

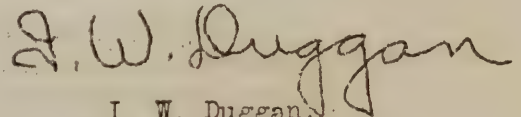
The Secretary of Agriculture has made a determination that such bonus rents or charges when "practiced under conditions where they have not heretofore been regular rental procedure, clearly constitute an attempt to deprive tenants and sharecroppers of payments to which they are otherwise entitled...under the agricultural conservation program within the meaning of the applicable provisions of the 1938, 1939, and 1940 Agricultural Conservation Program Bulletins, and that payments be withheld or, where made, recovered from any landlord or operator employing such devices." Such determination was made pursuant to Section XI, subsection C, of the 1938 Agricultural Conservation Program Bulletin; Section 16, subsection (c), of the 1939 Agricultural Conservation Program Bulletin, and Section 10, subsection (c), of the 1940 Agricultural Conservation Program Bulletin.

If any such bonus-renting was started in 1938 or 1939 or is begun in 1940 under conditions where it had not been regular rental procedure, or if bonus-renting was an established practice prior to 1938 but the amount of the bonus rent was increased in 1938 or 1939 or is increased in 1940 and such action is not justified by definitely increased benefits to the tenant or sharecropper (excluding those benefits attributable to cooperation in the Agricultural



Conservation Program), it clearly constitutes an attempt to secure for the owner or operator a share of the agricultural conservation payment to which the tenant or sharecropper is entitled. All county committees should be instructed to give publicity to this determination immediately and to present to the State committee a detailed statement of facts, together with recommendations, in all cases coming within such determination. Where a payment is withheld pursuant to the determination, the State committee should advise the applicant as well as this Division of such action. Any payment required to be refunded pursuant to the determination should likewise be reported to this Division.

Very truly yours,

A handwritten signature in dark ink, reading "I. W. Duggan". The signature is written in a cursive style with a large, prominent "D" and a long, sweeping underline.

I. W. Duggan,
Director, Southern Division

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.



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= 0.75
MAR 4 1940

February 15, 1940.

To All Administrative Officers and State Committeemen,
Agricultural Adjustment Administration,
Southern Region.

Re: Effect of overplanting
on 1940 Parity Payments.

Under the 1940 Parity Payment Regulations no payment may be approved for a person with respect to cotton, rice, or wheat on a farm if (1) the acreage planted to such commodity for harvest in 1940 on such farm exceeds the respective acreage allotment, or (2) the sum of the acreages of cotton, rice, tobacco, and wheat on such farm exceeds the sum of the allotments (or permitted acreages, where applicable, in the case of wheat) for such commodities under the 1940 Agricultural Conservation Program. The "permitted acreage" of wheat has reference to non-wheat-allotment farms only. In the case of a non-wheat-allotment farm in Area A for which an allotment of more than 10 acres was determined, the permitted acreage will be the smaller of the allotment or the acreage of wheat harvested on the farm for grain or for any other purpose after reaching maturity. In the case of a non-wheat-allotment farm in Area A for which an allotment of 10 acres or less was determined, the permitted acreage will be the smaller of 10 acres or the acreage of wheat harvested on the farm for grain or for any other purpose after reaching maturity. In the case of a non-wheat-allotment farm in Area B for which a usual acreage of more than 10 acres was determined, the permitted acreage will be the smaller of the usual acreage or the acreage of wheat harvested on the farm for grain or for any other purpose after reaching maturity. In the case of a non-wheat-allotment farm in Area B for which no usual acreage was determined, or for which the usual acreage is 10 acres or less, the permitted acreage will be the smaller of 10 acres or the acreage of wheat harvested on the farm for grain or for any other purpose after reaching maturity.

No 1940 parity payment may be approved for a person with respect to cotton, rice, or wheat in the county if the county committee determines that such person's performance on the farms which are otherwise eligible for payment has been substantially offset by the planting of an excess acreage of cotton, rice, tobacco, or wheat on other farms in which he is interested in the county.

A person will be considered to have substantially offset the performance with respect to cotton, rice, and wheat if the county committee finds that his aggregate share of the 1940 acreage of cotton, rice,

tobacco, and wheat on all farms in the county exceeds his aggregate share of the allotments (or permitted acreages, where applicable, in the case of wheat) for such commodities, excluding wheat if on any farm the wheat acreage allotment (or permitted acreage, where applicable) was overplanted and the seeding of wheat on such overplanted farm was completed prior to December 1, 1939, and the committee finds (1) that the person acted on the basis of erroneous information to the effect that overplanting on one farm would not deprive him of payment on any other farm, and (2) that in overplanting the wheat acreage allotment (or permitted acreage, where applicable) he did not depart from normal farming operations on such farm.

No 1940 parity payment may be approved for a person with respect to cotton, rice, or wheat in the State if the State committee determines that such person's performance on the farms which are otherwise eligible for payment has been substantially offset by the planting of excess acreage of cotton, rice, tobacco, or wheat on other farms in which he is interested in the State. Therefore, in any case where a county committee determines that a producer has substantially offset performance rendered in the county by overplanting on other farms in the county and such producer is interested in farming operations in one or more other counties in the State, the county committee shall advise the State committee of all facts in the case in order that the State committee may determine whether the producer has substantially offset the performance rendered in the State. The procedure for determining whether a producer has substantially offset performance in the State shall be the same as that outlined above for making the determination for a county.

In the case of winter wheat, application for the parity payment may be made prior to the determination of performance with respect to cotton, rice, and tobacco. For this reason the application for payment contains an agreement by the producer to refund the payment made to him with respect to wheat if it later develops that he has substantially offset performance by overplanting his share of the cotton, rice, and tobacco acreage allotments.

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

MAR 4 1940



February 23, 1940.

To all Administrative Officers and State Committeemen,
Agricultural Adjustment Administration,
Southern Region.

Re: Soybeans under the 1940 program.

A number of inquiries have been received by this Division regarding soybeans under the 1940 Agricultural Conservation Program.

Classification

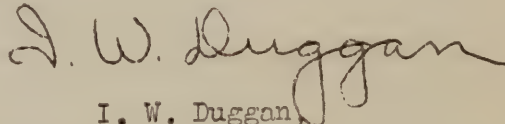
The 1940 Agricultural Conservation Program Bulletin (ACP-1940), approved by the Secretary of Agriculture on September 6, 1939, provided that soybeans are soil depleting in all areas of the United States when harvested for seed for crushing. An amendment to the 1940 bulletin, approved by the Secretary on January 19, 1940, provided that soybeans are soil depleting only in Area A (except Texas, Oklahoma, Arkansas, and certain counties in Missouri) when harvested for seed or when the seed mature. In other words, as the bulletin now reads, soybeans are not soil depleting in the Southern Region, in eight counties in Missouri, and in Areas B and C of other regions, regardless of whether the seed is harvested for crushing or matures; but soybeans are classified as soil depleting in the North Central Region, except the eight counties in Missouri, and in the A Area of the Western Region which includes Kansas and North Dakota and designated counties in New Mexico, Colorado, Wyoming, Montana, and California.

Soil-building Practices

Under the national bulletin, as approved by the Secretary on September 6, 1939, soybeans could qualify under the green manure and cover crops practice even though the seed were harvested, provided a good growth and good stand were obtained. As previously announced, in an effort to maintain the 70 cent rate on cropland in connection with the soil-building allowance in Area B of the Southern Region and the 55 cent rate on cropland in Area A of the Southern Region and to obtain more conservation by encouraging the use of practices not normally carried out, the green manure and cover crops practice was amended (which amendment was approved by the Secretary on November 25, 1939) so that no crop would qualify under this practice from which

the seed were harvested by mechanical means. It was subsequently found that certain crops such as crimson clover and crotalaria would be disqualified under the wording of the amendment approved November 25. Consequently, another amendment was made to the green manure and cover crops practice which was approved by the Secretary on January 25, 1940, under which only soybeans were excluded if the seed were harvested by mechanical means. As the bulletin now reads, such crops as crotalaria will qualify under the green manure and cover crops practice, if otherwise eligible, even though the seed is harvested by mechanical means; however, soybeans will not qualify if the seed is harvested by mechanical means.

Similar amendments were made in connection with the practice dealing with interplanting summer legumes in soil-depleting crops. As the bulletin now reads, soybeans will not qualify under this practice if the seed is removed by mechanical means.

A handwritten signature in dark ink, reading "I. W. Duggan". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

I. W. Duggan,
Director, Southern Division.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

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MAR 4 1940

February 23, 1940

To All Administrative Officers and State Committeemen,
Agricultural Adjustment Administration,
Southern Division.



RE: When a farm is "operated" under the 1940 program.

The 1940 Parity Payment Regulations provide that a farm must be operated in order to be eligible for a parity payment. Furthermore, the 1940 Agricultural Conservation Program regulations provide that no payment other than for carrying out soil-building practices or restoration land measures shall be computed for any farm which is not operated in 1940. A farm will be deemed to be operated if normal farming operations are carried out on the farm in 1940, or if the State committee (or an administrative certifying officer, acting under instructions issued by the State committee as outlined below) finds that the farm is being operated in 1940.

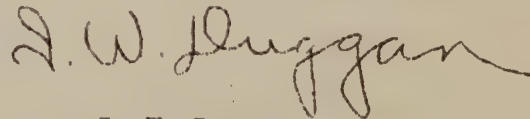
Normal farming operations will be deemed to have been carried out if an acreage equal to one-half or more of the total soil-depleting acreage allotment for the farm (or one-half of the vegetable allotment if it was not necessary to establish a total allotment) is devoted to one or more of the following uses:

- (1) A crop seeded for harvest in 1940;
- (2) A crop (other than wild hay) harvested in 1940;
- (3) Summer-fallow in 1940;
- (4) Legumes, sweet sorghums, Sudan grass, or grasses seeded in the fall of 1939 or seeded in 1940 (other than those seeded in the fall of 1940);
- (5) Small grains seeded for pasture in 1940 (other than those seeded in the fall of 1940).

If, in the judgment of the county committee, a farm is being operated in 1940 even though normal farming operations were not carried out in accordance with the above provisions, a statement of the facts in the case, together with the recommendation of the county committee, should be attached to the application for payment for such farm and submitted to the State committee. If the State committee

concurs in the recommendation of the county committee, its approval will be indicated on the recommendation of the county committee by the signature of a member of the State committee, after which the application may be certified for payment if otherwise correct.

If the State committee so desires, it may lay down a general rule under which approval may be given by an administrative certifying officer to cases wherein at least 50 percent of the sum of the special allotments is planted to one or more special crops.

A handwritten signature in cursive script, reading "I. W. Duggan". The signature is written in dark ink and is positioned above the printed name and title.

I. W. Duggan,
Director, Southern Division.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

February 23, 1940

To All Administrative Officers and State Committeemen,
Agricultural Adjustment Administration,
Southern Region:

Re: Land included in a "farm".

It has come to the attention of this Division that county committees are having difficulty in determining what land should be included in a farm. One of the main duties of the county and community committees is to see that farms are properly constituted. It should be kept in mind that farms receiving higher allotments and yields because of being improperly constituted reduce the allotments and yields for other farms in the county below what the facts warrant.

The instructions contained herein are intended as an aid to committees in properly determining what land should be included in a farm.

"Farm" means all adjacent or nearby farm land under the same ownership which is operated by one person, including also:

(a) Any other adjacent or nearby farm land which the county committee, in accordance with instructions issued by the AAA, determines is operated by the same person as part of the same unit with respect to the rotation of crops and with workstock, farm machinery, and labor substantially separate from that for any other land; and

(b) Any field-rented tract (whether operated by the same or another person) which, together with any other land included in the farm, constitutes a unit with respect to the rotation of crops.

A farm shall be regarded as located in the county or administrative area, as the case may be, in which the principal dwelling is situated, or if there is no dwelling thereon, it shall be regarded as located in the county or administrative area, as the case may be, in which the major portion of the farm is located".



Ownership

The first general provision of the definition is that a farm includes all adjacent or nearby farm land under the same ownership which is operated by one person. While information available to this Division indicates that there is very little difficulty being encountered in determining the ownership of land, strict care should be used to ascertain who has legal title to the land in question. Although it is unnecessary to require the production of formal proof of title in those cases where the county committee knows for a fact, or it is a matter of common knowledge in the community, that the land is owned by the person shown on the work sheet as its owner, the committee should require specific proof in any case where there is any doubt as to ownership.

Operation

Many problems can be avoided by properly determining who is the operator. If a county committee should adopt for a general rule the view that because a person is a tenant he must be the operator, this would result in some large farms, which are actually being operated by the owner, having to be covered by two or more work sheets, and subdivisions or combinations of the component parts of the farm having to be made each year to give the particular tenant a larger or smaller crop. If a county committee should take the opposite view and rule that because a person owns the land he must be deemed to be the operator of it, difficulties will arise in each case where land is rented to a tenant who is without question its sole operator. The question of who is the operator cannot always be decided by following the kind of rent or the manner in which the rent is paid, because third and fourth tenants, and in some cases even standing rent or cash tenants, are not necessarily operators. On the other hand, in rare cases, persons who are share tenants, even though their share is only one-half of the crop, may actually be operators. Although in a given case a tenant may not be supervised as a share-cropper is, if he is directed by a farm manager (who may be the owner or another tenant or an employee of the owner or other tenant) he is not likely to be the operator. It is not a matter of supervision only but also a matter of management and direction that determines who is the operator.

Adjacent or Nearby Land

The next problem in determining what constitutes a farm is whether land under the same ownership and operated by the same person is adjacent or nearby. There is no difficulty in determining whether one tract of land is adjacent to another tract; unless the tracts are contiguous to each other, they are not adjacent. Tracts of land which are not adjacent may be considered nearby in one case

and not in others. For instance, if such tracts are close enough together so that the labor, workstock, and farming machinery are used interchangeably in a normal manner throughout the year when farm work is in progress in the operation of two or more tracts, the tracts may be considered nearby. In another instance, tracts owned and operated by one person which are only a short distance apart but are not accessible because of the terrain and are operated as entirely separate units may be, but should not necessarily be, considered nearby and therefore as one farm. Tracts might have to be operated separately because they are separated by a mountain ridge or a stream with no nearby bridge.

Different Ownerships

In addition to land which is under the same ownership, any other adjacent or nearby tract of land owned by another person may be included in the farm under certain conditions. This means that two or more tracts of land, operated by one person as a unit as to crop rotation practices and with workstock, machinery and labor substantially separate from that for any other land could under certain conditions be considered one farm even though each of the tracts of land may be under different ownerships. For example, A owns a 40-acre tract and rents from B a 20-acre tract either for cash or standing rent or a fixed commodity payment or a share of the crop and the two tracts are adjacent or nearby. If both the 20-acre tract and the 40-acre tract are worked by A as a unit with respect to the rotation of crops and with workstock, farm machinery, and labor substantially separate from that for any other land, the 60 acres could be considered as one farm.

Combinations under this provision cannot, however, be approved unless the county committee determines that: (a) There is one crop rotation system on the entire area of land; (b) the yield and productivity of the land under different ownerships do not vary substantially except in cases where the operator has a long term lease covering all the land; (c) the combination is not being made for the purpose of increasing allotments or primarily for the purpose of effecting performance; and (d) the several ownership tracts constitute a farming unit for the operator and will be so considered in the community in 1940. For example, if a person rents a tract of land with a relatively high cotton history for the purpose of increasing the cotton allotment on his farm, which was limited by the highest planted and diverted acreage, and it is likely that normal farming operations will not be carried out on the rented tract, the combination cannot be approved because the rental and treatment of the land amount to a scheme to get a higher allotment than is justified by the facts or the law. Neither shall a combination of separately-owned tracts be approved if it was made primarily to get additional tillable land from a tract having little or no cotton history (or a low history) to be added to a farm which had a relatively high cotton history as compared with the tilled land.

In cases where separately-owned tracts of land are to be included in one farm, the owners must agree in writing to the combination on Form ACP-68, Revised, (on Form ACP-95 where applicable in Texas and Oklahoma) if one or more of the tracts are rented for a share of the crop.

Field-Rented Tracts

There is also an exception to the general provision for including in a farm only that land which is under the same operation. This is in the case of field-rented tracts. Field-rented tracts of land must be included as a part of the farm and covered by the work sheet of the person who owns the land in case of an owner-operator or the person who rents the land in case of a cash or fixed-rent or share tenant operating an entire farm. For example, A either owns, rents for cash or fixed rent, or share rents a farm; B who desires to plant cotton, tobacco, or some other crop in a particular field on A's farm; field-rents the tract in question. In this case, the field which B rents from A will be a part of A's farm, and B will be considered as a tenant on A's farm. A will be responsible for whatever B does on the field rented from A and any cotton, tobacco, or other crop grown by B on the field in question, together with the acreage of such crop or crops grown by A, will be compared with the allotment established for A's farm in any computation in any program administered by the AAA. This means that if a 2-acre tobacco allotment were established for A's farm, and a 2-acre allotment for B's farm, and A grew 2 acres of tobacco and B also grew 2 acres of tobacco on the field rented from A but grew no tobacco on his own farm, the 4 acres of tobacco would be shown on the application for payment (or other related documents) covering A's farm and the application covering B's farm would show no acreage of tobacco grown. If this is a departure from the procedure followed in any county in the past, the farmers should be immediately informed of the change so there will be no misunderstanding.

The above does not apply to "any other adjacent or nearby farm land" as used in the farm definition, as such land owned by one person may be combined with land owned by another person in constituting a farm. The distinction between a field-rented tract and adjacent or nearby farm land would depend on the relative size and location of the rented or separately-owned tract. The size of the tract which is rented should be used as a guide in determining whether it is to be considered field renting, particularly when compared with the land operated by the person renting and the person from whom rented. For example, if A has a farm with 100 acres of cropland and rents to B, who also has a farm with 100 acres of cropland, a 3- or 4-acre tract, this should be considered field renting. If, however, B only had 30 acres of cropland and leased from A land including 30 acres of cropland, this could properly be considered a part of B's farm, instead of a field-rented tract on A's farm, provided a cropping system was established covering the entire 60 acres, making a 60-acre farm for B and a 70-acre farm

for A. With reference to location, to be considered adjacent or nearby farm land rather than a field-rented tract, the land should be on the edge of the farm or on the edge of a wooded area which extends to the ownership line, or a contiguous tract of cropland completely surrounded by permanent boundaries, such as woodland, waste, or non-crop open pasture land, so that no difficulty would be experienced by the performance reporter in readily identifying the ownership of the crops. A field or part of a field which is not set off by permanent boundaries should be considered a field-rented tract.

General Instructions

Before completing the reconstitution of farms for 1940, county committees should carefully study the foregoing instructions and should review each individual request for reconstitution, and should also determine that all farms in the county are properly constituted regardless of whether a request is made by the producer for a reconstitution. Well before planting time all cases of multiple ownership or multiple operation should be reviewed by the county committee in order to determine whether the several work sheets covering tracts of land owned by the same person or the several work sheets covering tracts of land operated by the same person should be combined because the tracts in fact constitute one farm. Aerial photographs where available, will be most useful in determining the land that should properly be included in a farm. All farms that are improperly constituted must be subdivided or combined in accordance with the facts in the individual case.

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

1870
The first of the year
was a very dry one
and the crops were
very poor. The
winter was also very
dry and the crops
were very poor.

The second of the year
was a very wet one
and the crops were
very good. The
winter was also very
wet and the crops
were very good.

The third of the year
was a very dry one
and the crops were
very poor. The
winter was also very
dry and the crops
were very poor.

The fourth of the year
was a very wet one
and the crops were
very good. The
winter was also very
wet and the crops
were very good.

APR 18 1940

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

March 14, 1940

To All Administrative Officers and State Committeemen,
Agricultural Adjustment Administration
Southern Division.



RE: Practices that defeat the 1940 Agricultural
Conservation Program and 1940 Parity Payment
Program.

Section 10(a)(1) of the 1940 Agricultural Conservation Program Bulletin provides in part that: "All or any part of any payment which otherwise would be made to any person under the 1940 program may be withheld or required to be returned (a) if he adopts or has adopted any practice which the Secretary determines tends to defeat any of the purposes of the 1940 or previous agricultural conservation programs ... " Somewhat similar provisions are contained in the 1940 Parity Payment Regulations. These provisions appear to be consistent with the policy of the Congress. For example, Section 8(f) of the Soil Conservation and Domestic Allotment Act reads as follows:

"(f) Any change between the landlord and the tenants or sharecroppers, with respect to any farm, that would increase over the previous year the amount of payments or grants of other aid under subsection (b) that would otherwise be made to any landlord shall not operate to increase such payment or grant to such landlord. Any reduction in the number of tenants below the average number of tenants on any farm during the preceding three years that would increase the payments or grants of other aid under such subsection that would otherwise be made to the landlord shall not hereafter operate to increase any such payment or grant to such landlord. Such limitations shall apply only if the county committee finds that the change or reduction is not justified and disapproves such change or reduction."

In accordance with the above, the Secretary of Agriculture has determined that in all regions, including the Southern Region, the practices hereinafter set forth tend to defeat the purposes of the 1940 Agricultural Conservation Program and the purposes for which the 1940 parity payments are made, and that it is fair and

reasonable to withhold, or require to be refunded, from any payments which otherwise would be made, or have been made, to a producer who has adopted one or more of the schemes or devices, the respective amounts set forth in connection with each of the following items:

- (1) There shall be withheld, or required to be refunded, the entire payment with respect to the farm which otherwise would be made, or has been made, to a landlord or operator, including the landlord of a cash or standing or fixed-rent tenant, who, either by oral or written lease or by an oral or written agreement supplementary to such lease, requires by coercion his tenant or sharecropper to pay or to agree to pay to such landlord all or a portion of any Government payment which the tenant or sharecropper is to receive or has received for participation in the 1940 Agricultural Conservation Program or as a 1940 Parity payment.
- (2) There shall be withheld, or required to be refunded, the entire payment with respect to the farm which otherwise would be made, or has been made, to a landlord or operator who requires that his tenant or sharecropper pay, in addition to the customary rental, a sum of money equivalent to all or a portion of the Government payment which may be, is being, or has been earned by the tenant or sharecropper.
- (3) There shall be withheld, or required to be refunded, from the entire payment with respect to the farm which otherwise would be made, or has been made, to a landlord, or operator, who knowingly omits the names of one or more of his landlords, tenants, or sharecroppers on an application for payment form or other official document required to be filed in connection with one of the above-mentioned programs, or who knowingly shows incorrectly his or their acreage shares of crops or unit shares of soil-building practices, or who otherwise falsifies the record required therein to be submitted in respect to a particular farm, thereby intentionally depriving or attempting to deprive one or more landlords, tenants, or sharecroppers of payments to which such landlords, tenants, or sharecroppers are entitled.
- (4) There shall be withheld, or required to be refunded, the entire payment with respect to the farm which otherwise would be made, or has been made, to a producer who requires his tenant or sharecropper to execute an assignment ostensibly covering advances of money or supplies to make a current crop, but actually for a purpose not permitted by the regulations.

(5) There shall be withheld, or required to be refunded, all of the payments which otherwise would be made, or have been made, to a producer who complies with the provisions of the program on a farm or farms operated by him as an individual, but who substantially offsets such performance by the farming operations of a partnership, association, estate, corporation, trust, or other business enterprise in which he is financially interested and the policies of which he is in a position to control. If a partnership, association, estate, corporation, trust, or other business enterprise carries on its operations so as to qualify for a payment, but one of the individuals who is in position to control the operations or policies of such partnership, association, estate, corporation, trust, or other business enterprise substantially offsets such performance by his individual operations, no payments shall be made to him in connection with his individual operations and the payments to the partnership, association, estate, corporation, trust, or other business enterprise shall be reduced by the amount which the State committee finds, or estimates, is commensurate with his financial interest in such partnership, association, estate, corporation, trust, or other business enterprise.

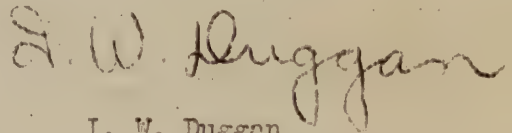
(6) There shall be withheld, or required to be refunded, from any payments which otherwise would be made, or have been made, to a producer who operates farms in two or more States and substantially offsets his performance in one State by overplanting on his farm or farms in another State, the amount which would be computed for such overplanting if the farms were in the same State.

(7) There shall be withheld, or required to be refunded, from payments which otherwise would be made, or have been made, to a producer who rents land for cash or standing or fixed rent to another person who he knows or has good reason to believe intends to offset such producer's performance by substantially overplanting the acreage allotments for the farm which includes such rented land, the net amount of the deduction which would be computed if the producer were entitled to receive all of the crops produced on the rented land.

(8) There shall be withheld, or required to be refunded, from any payments which otherwise would be made, or have been made, to a producer who is participating in the production of a crop on a farm other than a farm in which he admittedly has an interest the proportion of the net amount of the deduction which would be computed for the farm which the committee determines was such person's interest in the crops produced. A producer shall be considered to be participating in the production of a crop if the committee finds that he furnishes machinery, workstock, or financial aid for the production of the crop and that he has an interest in such crop.

When it is determined by the county committee, with the approval of the State committee, or when it is determined by the State committee, that a producer has adopted one or more of the practices set forth above, there shall be withheld from any payments which otherwise would be made (or there shall be required to be refunded from any payments which have been made) to the offending producer the respective amounts set forth in the above items.

The above practices are in addition to those set forth in the State handbook and in 1940 General Letters Nos. 3 and 4.

A handwritten signature in dark ink, appearing to read "I. W. Duggan". The signature is written in a cursive style with a large, looping "D" and a trailing flourish.

I. W. Duggan,
Director, Southern Division.

NOT 4 1940

1940 General Letter No. 8 (Supplement 1)

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

May 24, 1940

To All Administrative Officers and State Committeemen,
Agricultural Adjustment Administration,
Southern Division.



Re: Practice that defeats the purposes of an agricultural conservation program or a parity payment program for 1940 or any subsequent year,

In addition to the practices that tend to defeat the purposes of the agricultural conservation and parity payment programs which were outlined in 1940 General Letter No. 8, the Secretary of Agriculture has made the following determination which is applicable in all AAA Regions:

"9. If a tenant in settling his obligations under a rental contract or agreement, or an agreement supplemental or collateral thereto, pays or renders cash, standing rent, or fixed rent, or a share of the crops, or any service or thing of value, aggregating in value in excess of the rental customarily paid in the community for similar land and use, thereby diverting to the landlord the whole or any part of any payment which the tenant is entitled to receive, there shall be withheld from or required to be refunded by the tenant the whole of any payment with respect to the farm made, or to be made, to him under an agricultural conservation program or a parity program for 1940 or any subsequent year, and there shall be withheld from or required to be refunded by the landlord the whole of the payment with respect to all of his farms under the program involved: Provided, however, that where the tenant is renting for a share of the crops only and the tenant's share is 60 percent or less, only the landlord's payments shall be so withheld or recovered. The application of this rule shall be subject to the approval of the Regional Director."

All county committees should be instructed to give publicity to this determination immediately.

I. W. Duggan
I. W. Duggan,
Director, Southern Division.

1940 General Letter No. 9 (Area A)

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

April 1, 1940

To All Administrative Officers and State Committeemen,
Agricultural Adjustment Administration,
Southern Region.



Re: \$20.00 minimum provision - 1940 ACP

The following questions have been raised regarding the minimum farm payment provision of the 1940 Agricultural Conservation Program:

1. Q. What is the maximum soil-building assistance available (excluding the \$30 for planting forest trees) on a farm on which (1) the maximum possible payment in connection with soil-depleting acreage allotments and restoration land is \$5 and (2) the soil-building assistance with respect to commercial orchards, perennial vegetables, pasture land, the commercial vegetable allotment, restoration land, and cropland (and for non-general allotment farms, the county rate per acre adjusted for productivity for each acre in the total allotment in excess of the sum of the special crop allotments for which payments are computed and the acreage of sugar beets for sugar planted for harvest in 1940) is \$10?

A. \$15. In this example the \$10 soil-building assistance is increased to \$15 so that the farm could earn as much as \$20. An additional \$30 is, of course, available for planting forest trees.
2. Q. What is the maximum soil-building assistance available (excluding the \$30 for planting forest trees) on which (1) the maximum possible payment in connection with soil-depleting acreage allotments is \$30 but no payment is made in connection with such allotments because the farm is not operated; (2) the payment on restoration land is \$5; and (3) the soil-building assistance with respect to commercial orchards, perennial vegetables, pasture land, the commercial vegetable allotment, restoration land, and cropland (and for non-general allotment farms, the county rate per acre adjusted for productivity for each acre in the total allotment in excess of the sum of the special crop allotments for which payments are computed and the acreage of sugar beets for sugar planted for harvest in 1940) is \$10?

- A. \$10. In this example no increase is made in the soil-building assistance because the farm could have earned more than \$20. An additional \$30 is available for planting forest trees.
3. Q. What is the maximum soil-building assistance available (excluding the \$30 for planting forest trees) on a farm on which (1) the maximum possible payment in connection with soil-depleting acreage allotments and restoration land is \$25 but the net payment (due to a deduction of \$15) is \$10 and (2) the soil-building assistance with respect to commercial orchards, perennial vegetables, pasture land, the commercial vegetable allotment, restoration land, and cropland (and for non-general allotment farms, the county rate per acre adjusted for productivity for each acre in the total allotment in excess of the sum of the special crop allotments for which payments are computed and the acreage of sugar beets for sugar planted for harvest in 1940) is \$5?
- A. \$5. There is no increase in the soil-building assistance because this farm could have earned a maximum payment of more than \$20. An additional \$30 is available for planting forest trees.
4. Q. What is the maximum soil-building assistance available (excluding the \$30 for planting forest trees) on a farm that is placed in cultivation for the first time in 1940 and on which (1) the maximum possible payment in connection with soil-depleting acreage allotments is \$12 and (2) there is no soil-building assistance computed with respect to commercial orchards, perennial vegetables, pasture land, a commercial vegetable allotment, or cropland, there not being any land considered as cropland by definition (and for non-general allotment farms, the county rate per acre adjusted for productivity for each acre in the total allotment in excess of the sum of the special crop allotments for which payments are computed and the acreage of sugar beets for sugar planted for harvest in 1940)?
- A. \$8. The soil-building assistance is increased in this example because it was not possible for this farm to otherwise earn as much as \$20. An additional \$30 is available for planting forest trees.

Very truly yours,

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

OCT 4 1940

April 1, 1940

To All Administrative Officers and State Committeemen,
Agricultural Adjustment Administration,
Southern Region.



Re: \$20.00 minimum provision - 1940 ACP

The following questions have been raised regarding the minimum farm payment provision of the 1940 Agricultural Conservation Program:

1. Q. What is the maximum soil-building assistance available (excluding the \$30 for planting forest trees) on a farm on which (1) the maximum possible payment in connection with soil-depleting acreage allotments is \$5 and (2) the soil-building assistance with respect to commercial orchards, perennial vegetables, pasture land, and cropland is \$10?
 - A. \$15. In this example the \$10 soil-building assistance is increased to \$15 so that the farm could earn as much as \$20. An additional \$30 is, of course, available for planting forest trees.
2. Q. What is the maximum soil-building assistance available (excluding the \$30 for planting forest trees) on a farm on which (1) the maximum possible payment in connection with soil-depleting acreage allotments is \$35 but no payment is made in connection with such allotments because the farm is not operated and (2) the soil-building assistance with respect to commercial orchards, perennial vegetables, pasture land, and cropland is \$10?
 - A. \$10. In this example no increase is made in the soil-building assistance because the farm could have earned more than \$20. An additional \$30 is available for planting forest trees.
3. Q. What is the maximum soil-building assistance available (excluding the \$30 for planting forest trees) on a farm on which (1) the maximum possible payment in connection with soil-depleting acreage allotments is \$25 but the net

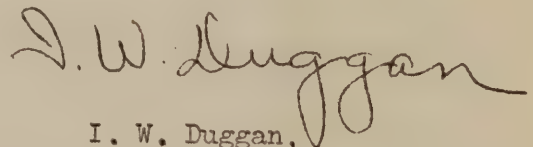
payment (due to a deduction of \$15) is \$10 and (2) the soil-building assistance with respect to commercial orchards, perennial vegetables, pasture land, and cropland is \$5?

A. \$5. There is no increase in the soil-building assistance because this farm could have earned a maximum payment of more than \$20. An additional \$30 is available for planting forest trees.

4. Q. What is the maximum soil-building assistance (excluding the \$30 for planting forest trees) on a farm that is placed in cultivation for the first time in 1940 and on which (1) the maximum possible payment in connection with soil-depleting acreage allotments is \$12 and (2) there is no soil-building assistance computed with respect to commercial orchards, perennial vegetables, pasture land, or cropland (there not being any land considered as cropland by definition)?

A. \$8. The soil-building assistance is increased in this example because it was not possible for this farm to otherwise earn as much as \$20. An additional \$30 is available for planting forest trees.

Very truly yours,

A handwritten signature in dark ink, reading "I. W. Duggan". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

I. W. Duggan,
Director, Southern Division.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D.C.

April 5, 1940

To All Administrative Officers and State Committeemen,
Agricultural Adjustment Administration,
Southern Division.



Re: Crop Classification

A number of inquiries have been received regarding the following matters:

1. Q. - Will land which is planted to sweetpotatoes and hogged-off be classified as commercial vegetable acreage on farms having a vegetable allotment?
 - A. - Sweetpotatoes hogged will not be classified as commercial vegetables on any farm but will be classified as soil-depleting on every farm and will count against the total soil-depleting allotment, if a total soil-depleting allotment is established for the farm.
2. Q. - Will sweetpotatoes, cabbage, and other vegetables fed to hogs count as commercial vegetables on a farm for which a commercial vegetable allotment is established, if other vegetables are not harvested on the farm?
 - A. - No, if no vegetables are sold to persons not living on the farm.
3. Q. - Will an acreage of vegetables which is grown for seed be classified as commercial vegetables on a farm for which a vegetable allotment is established and on which an acreage of other vegetables is harvested and sold?
 - A. - The acreage of vegetables grown for seed is classified as devoted to a commercial vegetable, if the principal part of the production of all vegetables is sold to persons not living on the farm. These vegetables will not be considered as commercial vegetables if the principal part of the production of all vegetables is used on the farm. However, the acreage devoted to sets or slips (such as onion sets, sweetpotato slips, and tomato plants) is not considered as devoted to a commercial vegetable or as soil-depleting.

4. Q. - Will the acreage of vegetables grown in home gardens for use on the farm be checked against the 1940 commercial vegetable acreage allotment for the farm?
- A. - No; the applicable subsection of the section on soil-depleting acreage will be amended accordingly.
5. Q. - Are perennial strawberries considered as perennial vegetables in arriving at the soil-building assistance for the farm?
- A. - Yes.
6. Q. - What is the classification of land devoted to alternate strips of soil-depleting crops and idle land?
- A. - Strips of idle or fallow land are not classified as soil-depleting, if such strips are 10 feet or more in width (measured from a point 1-3/4 feet from the outside of the strip of soil-depleting crop).
7. Q. - Are cowpeas, including black-eyed peas, considered to be a commercial vegetable?
- A. - No.
8. Q. - Will cowpeas planted for canning or freezing be classified as soil-depleting?
- A. - Yes; such a crop produced commercially for freezing or canning is considered to be a truck or vegetable crop.
9. Q. - What is the classification of land devoted to the production of cowpeas that mature and are harvested for seed for human consumption or for seeding a succeeding crop?
- A. - Non-depleting, unless the land is also devoted to another crop considered soil-depleting.
10. Q. - What is the classification of land devoted to a wheat mixture containing 25 percent of Austrian winter peas, the mixture to be combined and the Austrian winter peas used for seed?
- A. - The acreage is classified as wheat on any farm, regardless of whether it is a wheat-allotment-farm, and consequently is classified as soil-depleting.

11. Q. - What is the classification of safflower?

A. - Safflower is a general soil-depleting crop when harvested for any purpose.

12. Q. - What is the classification of land devoted to alternate rows or strips of cotton and peanuts harvested for nuts? dug for hay?

A. - If the rows or strips of cotton are less than 7 feet apart, measured from the drill, all of the land is considered as planted to cotton and, if the farm is in a county designated as a commercial peanut county, each row of peanuts is considered to occupy a strip of land 2 feet in width if the peanuts are harvested for nuts, but the peanuts are disregarded if dug for hay or hogged-off, since the land is already considered as soil-depleting because of cotton. If the farm is in a county not so designated, the peanuts are disregarded in computing payments and deductions, since the same land can be classified as soil-depleting only once for the year in determining whether the total soil-depleting acreage allotment was exceeded. Example: If cotton and peanut rows alternate as follows, all of the land is considered as planted to cotton, and each row of peanuts harvested for nuts in a commercial peanut county is considered to occupy a strip of land 2 feet in width:

<u>Cotton</u>	<u>Peanuts</u>	<u>Cotton</u>	<u>Peanuts</u>
:	:	:	:
:	:	:	:
:<-----3'----->:	:	:	:
:<-----6'----->:	:	:	:
:	:	:	:
:	:	:	:

If the rows or strips of cotton are 7 feet or more apart, measured from the drill, the land is classified in accordance with the actual acreage occupied by each crop, regardless of whether the peanuts are harvested for nuts, dug for hay, or hogged-off, and regardless of whether the farm is located in a county designated as a commercial peanut county.

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

THE STATE OF NEW YORK
IN SENATE
JANUARY 1, 1901.
REPORT
OF THE
COMMISSIONER OF THE LAND OFFICE
IN RESPONSE TO A RESOLUTION
PASSED BY THE SENATE
MAY 1, 1899.
ALBANY:
J. B. LIPPINCOTT & CO., PRINTERS.
1901.

ALBANY, N. Y., JANUARY 1, 1901.

Wm. C. C. B.
88
JANUARY 1, 1901